DOCUMENT RESUME

ED 269 551 CE 042 560

AUTHOR Spikes, W. Franklin, III
TITLE Utilizing the Concepts of Strategic Planning in an Educational Setting.
PUB DATE 6 Nov 85
NOTE 24p.; Paper presented at the Conference of the American Association for Adult and Continuing Education (Milwaukee, WI, November 6-10, 1985).
PUB TYPE Viewpoints (120) -- Speeches/Conference Papers (150)

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Administration; *Educational Planning; Elementary Secondary Education; Guidelines; *Models; Postsecondary Education; *Program Improvement
IDENTIFIERS *Strategic Planning

ABSTRACT

Effective strategic planning has clearly become a skill that is essential to the survival of managers in public and private sector agencies alike. While sometimes thought of as being an overly quantitative and excessively time-consuming activity, strategic planning does not need to be characterized in these terms. In its simplest and most straightforward form it can be a highly qualitative, highly participative, and very worthwhile activity. One model of strategic planning involves a four-phase planning framework. Relationships are established between elements of the planning cycle, time frame orientation, and level of organizational and individual accountability. Strategic planning can provide clear qualitative and quantitative data, effective direction, and meaningful measures of progress for educational organizations to use in determining their success and in meeting the challenges of the increasingly competitive environment of the future (Aauthor/KC)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED269551

Utilizing the Concepts of Strategic Planning in an Educational Setting

by

W. Franklin Spikes, III, Ed.D.
Staff Specialist
Training Research,
Evaluation and Analysis
Southwestern Bell Publications
St. Louis, Missouri

at the

1985 National Adult Education Conference
Milwaukee, Wisconsin
November 6, 1985

CE047560

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☐ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL IN MICROFICHE ONLY HAS BEEN GRANTED BY
F Spikes
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

BEST COPY AVAILABLE

Abstract

Effective strategic planning has clearly become a skill that is essential to the survival of managers in public and private sector agencies and organizations alike.

While sometimes thought of as being an overly quantitative and excessively time-consuming activity, strategic planning does not need to be characterized in these terms. In its simplest and most straightforward form it can be a highly qualitative, highly participative and very worthwhile activity.

This article describes the strategic planning process, its key elements and the relationships that exist between planning, individual accountability and benefits to an organization that engages in planning-related activities.

Duplication of any or all of this work is expressly prohibited unless written permission of the author is given.

Effective strategic planning has clearly become a skill that is essential to the survival of today's continuing education administrator. With the ever increasing need to acquire and utilize resources efficiently, comes a like need to carefully determine exactly what the purpose, objectives and outcomes of an educational organization should be and how to best utilize an often times marginal resource base to best carry out its mission.

Oftentimes, it is felt that strategic planning is a practice that is surrounded by quantitative mysticism, analytical overkill and a return-on-time investment equation that is clearly and negatively out of balance. Certainly there have been and still are instances in which organizational planning can be characterized in these terms. Yet, in its simplest and most straight forward form, the process of strategic planning is an activity that can be highly participative, qualitatively as well as quantitatively oriented, and in the long run well worth the time investment of the participants.

The remainder of this article then is devoted to describing a basic strategic planning model, identifying its key elements and showing what the benefits can be to educational organization which engages in careful planning activities.

Background

An examination of the literature reveals that a number of definitions exist for strategic planning. Norman Uhl (1983) in his introduction to Using Research for Strategic Planning suggests that many terms, among them long-range planning and master planning, are synonymous with strategic planning. He goes on to say that strategic planning

> "can be described as [being] an analytical approach that encompasses an assessment of the future,...the determination of desired goals in the context of the future, the development of alternative courses of action to achieve those goals and the selection of courses of action from among those alternatives." (Uhl, 1983, p. 2)

Cyert (in Keller, 1983, p. vi) suggests that

> "Strategic planning is a new development of great potential. This type of planning is not the same as the mechanical and deterministic planning that was tried a decade or two ago. [It] deals with a new array of factors: The changing external environment, competitive conditions, the strengths and weakness of the organization and opportunities for growth..."

Spikes (1985) has developed a working definition of strategic planning much like that of Cyert for use in a corporate training and development setting which brings both qualitative and quantitative considerations of external and internal environmental issues into the planning process. While some disagreement may be present about the exact definition of the concept of strategic planning, for the purposes of this discussion it can be characterized as being a process consisting of four major elements: 1) an examination of the current environmental circumstances--both within and outside of the organization; 2) the establishment of a statement of

purpose or mission with related time-framed goals; 3) supporting operational objectives and specific plans to carry out these objectives; and 4) resource analysis (Spikes 1985; Uhl 1983; Green et al. 1979).

In utilizing this four-step approach to developing a strategic planning cycle and an organizational plan that is responsive to a variety of determinants, it is clear that many interrelated issues must be examined during the initial and subsequent phases of the planning process. Today, the three key questions posed by Berne (in Nadler 1984, p. 2.12-2.13) with respect to strategic planning,

"What is our business?"

"What will it be in 'X' time?" and

"What should our business be?"

must be answered in regard to a far more complex topical matrix than may have been addressed in the past. One such conceptual model that is particularly useful in doing so is described by Peters and Waterman (1982). Known as the McKinsey 7-S Framework (see Figure 1), it was originally designed to describe how companies can best be organized beyond the traditional dimensions of structure and strategy.

Insert Figure 1 about here

As in the case of successful organizational development activities, successful strategic planning programs must consider issues related and interrelated to more than just structure and strategy. Clearly, issues of people and their skills and styles, organizational and environmental sys-

BEST COPY AVAILABLE

tems and the shared personal and collective value system that is present must come into play in making a determination about the future direction, mission or goals of any work group, firm or organization.

Given this background, where does the strategic planning process begin? How are the four elements or stages of the process carried out and ordered? What questions must be asked and answered in order for effective planning-related decisions to be made?

A Planning Model

A strategic plan is a tool that is clearly decision intensive in that planners or developers of the plan are forced to make a substantial number of decisions during its inception, preparation, on-going utilization, and evaluation. Shirley and Volkheim (1978) suggest that strategic decisions are made by matching internal strengths and weaknesses with external and internal opportunities and constraints to constituents' personal values. Another way to look at this concept is found in Figure 2 which follows. Developed from Shirley's and Volkheim's work, Spikes (1985) has utilized this graphic model in his work on strategic planning in a corporate training organization.

Insert Figure 2 about here

As mentioned earlier, the first step in any planning process begins with an analysis of what are the circumstances that surround an organization--with regard to both its internal and external environment. The foregoing decision-making model depicts the interrelationship of questions

BEST COPY AVAILABLE

of organizational "can do," "could do" and "wants to do." By asking and answering these questions in regard to both past and present operations, a clear foundation for future planning activities is laid. Uhl (1983) suggests that in the first phase of a planning process, that of "Analysis," the considerations shown in Table 1 should be addressed.

Insert Table 1 about here

As can be seen here, the point made earlier about the need to consider the Seven "S" dimensions of McKinsey's model in any planning process becomes quite clear. Even at this, the earliest stage of the process, it is obvious that effective planning is a highly qualitative and quantitative activity that must take into consideration far more than just fiscal analysis.

Returning for a moment to Cyert's concept of strategic planning, the analysis phase of the process is where an accurate examination of the "environment, competitive conditions, ...strengths and weaknesses of the organization" will form the basis for the remainder of the planning process to be conducted in a logical and orderly fashion. Upon completion of this first phase of the plan, a three dimensional situational analysis which describes in detail past, present and desired future events in the life of the organization should be produced. Designed to describe in broad comparative terms organizational activities, programs, products and financial circumstances, the situational analysis will yield the data and identify the trends from which Phase II of the plan can flow.

BEST COPY AVAILABLE

Once Phase I has been conducted, Phase II, "Establishing the Organization's Statement of Mission and Goals," is conducted. Characterized as "achieving a common understanding" (Spikes, 1985), this second step in the strategic planning process consists of the activities shown in Table 2.

Insert Table 2 about here

At this second stage, planners should begin to make clear quantifiable or qualitative statements about what the organization should be like in the next two- to five-year period. General statements of desired conditions that are directly tied to the statement of purpose or organizational mission are written here and serve as a link between the first phase, "The Situational Analysis," and the third phase of the planning process, "Operational Objective Setting."

Mission statements or statements of organizational purpose are designed to serve as the cornerstone of any success strategic plan. They are utilized to answer the question "What is our business?" or "Why are we here?" It is at this stage of the plan that descriptive distinctions between types of organizations and work units within organizations are drawn. This process of self-definition allows planners to critically examine the role and function of their organization within the realm of the larger whole. Regardless of whether that whole is a major corporation, a portion of the market place, a governmental body or society at large, a carefully developed mission statement will place the organization in a position to begin to chart a course for the future.

BEST COPY AVAILABLE

More specificity and direction are provided at this stage of the planning process through the establishment of long-range goals. These statements begin to shape the future of the organization in definitive terms. Simply put, goal statements say, "Here is what we as an organization want to be; here is what we want to achieve; here is how we want to look in several years." Here, too, initial action priorities for the future are determined. Organizational values are identified. Long-range goals begin to match the "what-can-this-organization-do questions" with the "what-does-this-organization-want-to-do questions" described earlier in the strategic decision-making model (Figure 2).

Subsequent to achieving a common understanding in the form of an organizational mission statement and long-range action goals, highly short-term operational objectives and action plans are developed. Typically written for the period of one year, these statements are the performance indicators that are utilized to describe how both the organization's mission is to be realized and how its long-term goals are to be attained. Table 3 presents descriptive characteristics that should be considered in developing statements or organizational objectives and action plans in Phase III of a strategic planning process.

Insert Table 3 about here

As the planner moves from the analysis to the mission and goals and the objective setting portion of the plan, the specificity of activities becomes greater, the accountability for performance becomes far more fo-

BEST COPY AVAILABLE

cused and the operational time frames become more immediate. Figure 3 shows these interrelations.

Insert Figure 3 about here

As shown in this diagram, organizational objectives and, ultimately, action plans are designed to narrow down, to describe at more exact level, both what is to be achieved by or within the organization and to determine how activities are to be completed and, moreover, to assign the responsibility for completion to specific individuals or work groups. Operational objectives are designed to translate the broadly stated long-term goals of the organization, the answer to the here's-what-we-could-and-want-to-do question, into practice. Objectives and action plans seek to determine and state the manner in which goals are to be achieved. If organizational goals can be considered as being analogous to a family's desire to take a vacation, operational objectives then become the mechanism which determines where the vacation will be spent, how long it will be and who will go. Action plans, to carry this analogy further, describe who is responsible for making travel arrangements and what they will be and how time will be spent once the destination is reached.

Once an organization identifies its mission, sets its goals and translates these goals into specific objective statements and plans for action, the final phase of the strategic planning process looks at the financial and human resource needs required by the organization to carry out its mission and achieve its goals and objectives. Both current patterns

BEST COPY AVAILABLE

of resource utilization and future needs should be examined at this time. Actual versus needed manpower analyses are conducted. Real versus desired expense estimates are made and compared with revenue projections. Here, too, the balance between ideal circumstances and actual circumstances is struck, plans altered and operating objectives and action plans revised. This relationship to the total planning process is shown in Figure 4.

Insert Figure 4 about here

Organization Benefits

Given the preceding information, what are the organizational benefits that can be expected to result from the development and implementation of a strategic plan. Obviously, depending upon the size and type or organization that is involved in planning, different benefits with differing values will result. In general, however, a planner can expect that some, if not all, of the outcomes and benefits shown in Figure 5 will occur.

Insert Figure 5 about here

If achieved, these planning outcomes and resultant organizational benefits will yield a continuous flow of information about the day-to-day and short- and long-range health of an organization.

Summary

The strategic planning process and its various key elements have been discussed in this article. Basic background information about strategic

BEST COPY AVAILABLE

planning along with a description of a four-phase planning framework and illustrative models have been provided. Additionally, relationships between elements of the planning cycle, time frame orientation and level of organizational and individual accountability have been presented. Finally, the relationship between planning outcomes and organizational benefits has been depicted. In its essence, the thesis of this article is that carefully conducted strategic planning activities can provide clear qualitative and quantitative data, effective direction and meaningful measures of progress for any educational organization and continuing education administrator to utilize in determining its success and in meeting the challenges of the ever increasingly competitive environment of the future.

References

Berne, E. Managing the HRD function. In Nadler, L. (ed.), The handbook of human resource development. New York: John Wiley & Sons, 1984.

Cyert, R.M. Forward. In Keller, G., Academic strategy: The management revolution in American higher education. Baltimore: The Johns Hopkins University Press, 1983.

Green, J.L., Mayyar, D.P. and Ruth, R.S. Stragegic planning and budgeting for higher education. LaJolla, California: J.L. Green and Associates, 1979.

Peters, T.J. and Waterman, R.H., Jr. In search of excellence: Lessons from America's best run companies. New York: Harper and Row Publishers, 1982.

Shirley, R.C. and Volkheim, J.F. Establishing academic program priorities. Journal of Higher Education, 1978, 49(5), 472-488 as cited in Uhl, N.P. (ed.), Using research for strategic planning. New directions for institutional research, No. 37. San Francisco: Jossey-Bass, 1983.

Spikes, W.F. A strategic planning primer. St. Louis: Southwestern Bell Publications, Corporate Training Center, 1985.

Uhl, N.P. Using research for strategic planning. New Directions for institutional research, No. 37. San Francisco: Jossey-Bass, 1983.

BEST COPY AVAILABLE

Author Biography

W. Franklin Spikes, III, Ed.D., Staff Specialist, Training Research, Evaluation and Analysis, Southwestern Bell Publications, Inc., 1625 Des Peres Road, Suite 200, St. Louis, Missouri 63131; phone (314) 957-2157.

Janice M. Spikes, R.N., Ph.D., Assistant Professor, School of Nursing University of Missouri-St. LOuis, 8001 Natural Bridge Road, St. Louis, Missouri 63121; phone (314) 553-6028.

BEST COPY AVAILABLE

FIGURE 1

McKINSEY SEVEN "S" MODEL

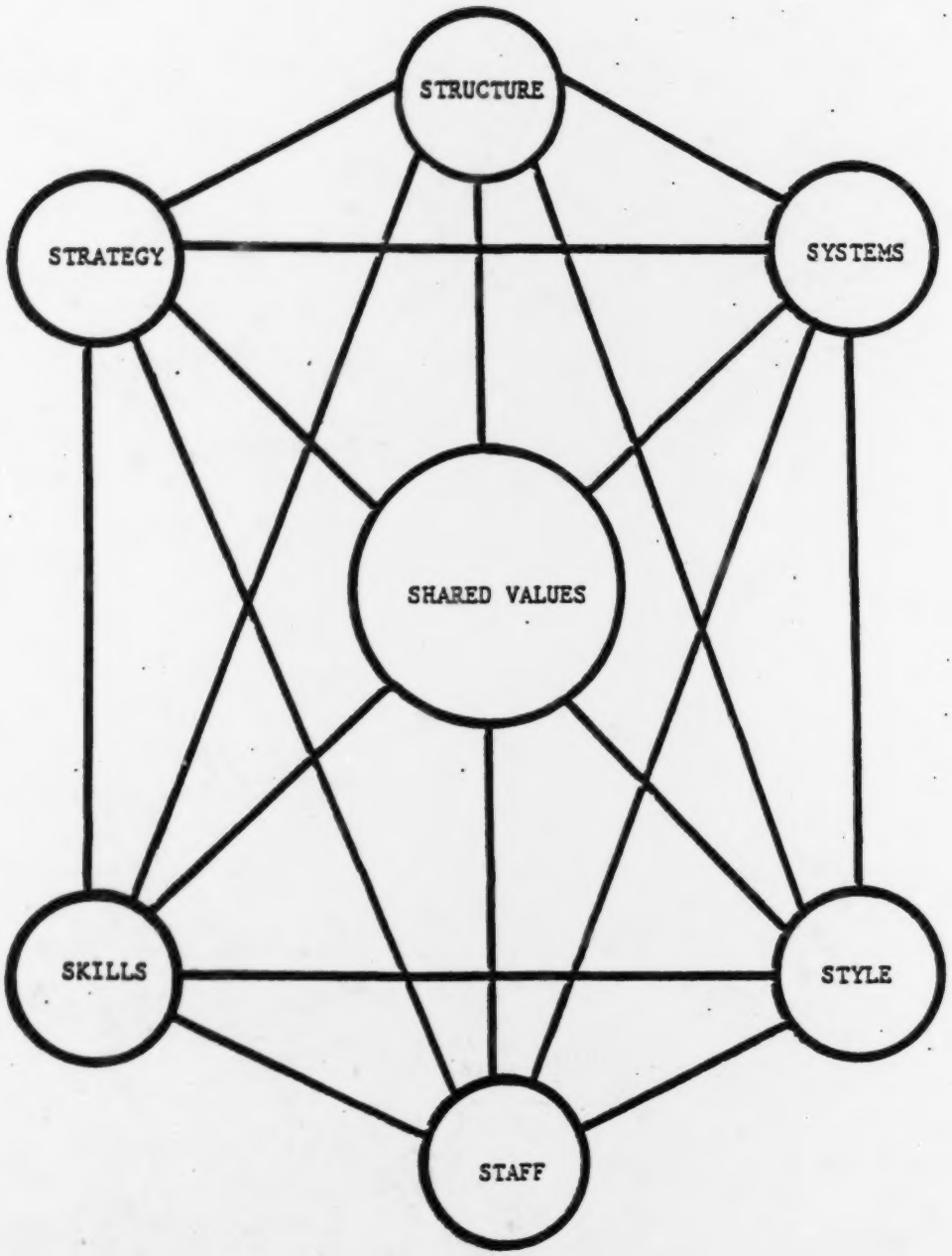


FIGURE 2

DECISION MAKING MODEL

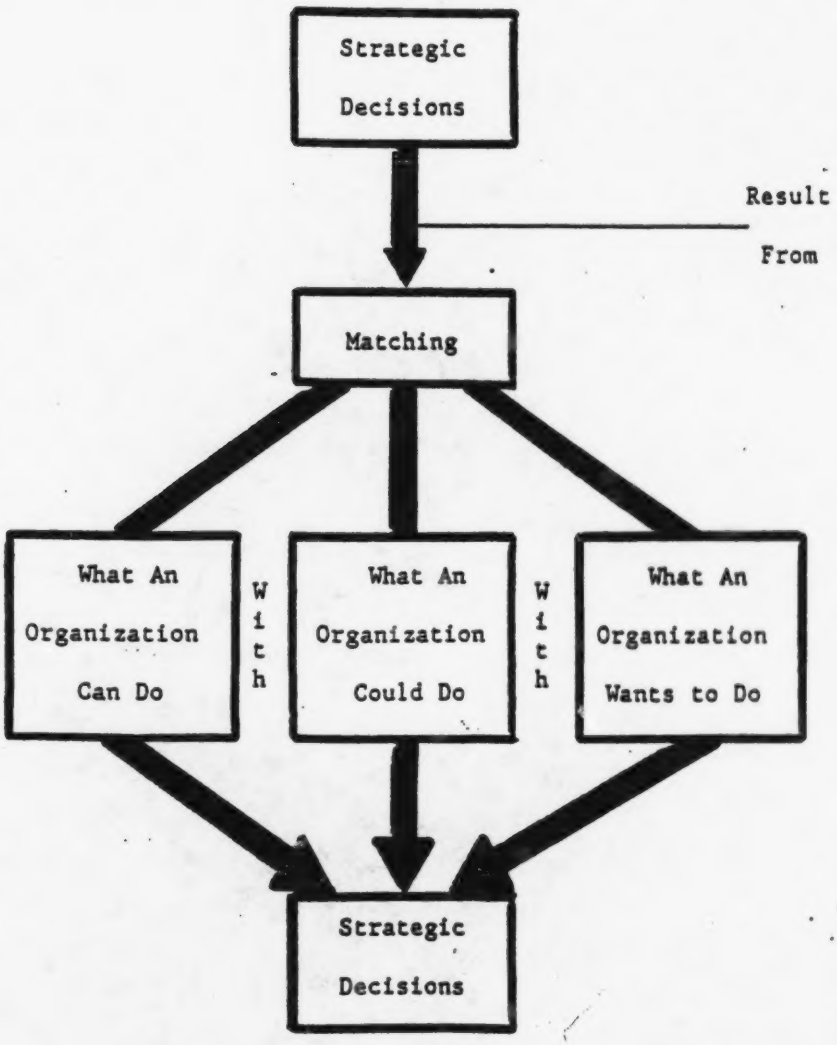


TABLE 1

PHASE I - ANALYSIS

IA - Assessment of the organization's past and present situations and of its projected future.

IB - Assessment of the external environment in terms of:

- Treats
- Opportunities
- Economic, social, technical, legal and demographic competitive forces

IC - Assessment of internal environment with respect to

- Participant data
- Strengths and weaknesses of programs
- Values

BEST COPY AVAILABLE

TABLE 2

PHASE II - MISSION AND GOALS

IIA - Establishing of a Statement of Organizational Purpose (Mission).

IIB - Development of a Statement of Goals that includes:

- Identification of a desired state or future conditions
- Indication of what an organization will do to narrow the gap between what it is and what it should be

BEST COPY AVAILABLE

TABLE 3

PHASE III – OBJECTIVES AND ACTION PLANS

IIIA – Statements of Objectives are:

- Related to organizational goals (and thus to its mission)
- The means by which goals are achieved
- An operational indicator of a goal that has been quantitatively defined
- Are usually written for a one-year period

IIIB – Action Plans are:

- Developed from and are related to objectives
- Contribute to the achievement of objectives
- Fix responsibility for specific actions to individual operating units or people

BEST COPY AVAILABLE

FIGURE 3

THE RELATIONSHIP BETWEEN PLANNING, TIME FRAMES, ACCOUNTABILITY AND TASK SPECIFICITY

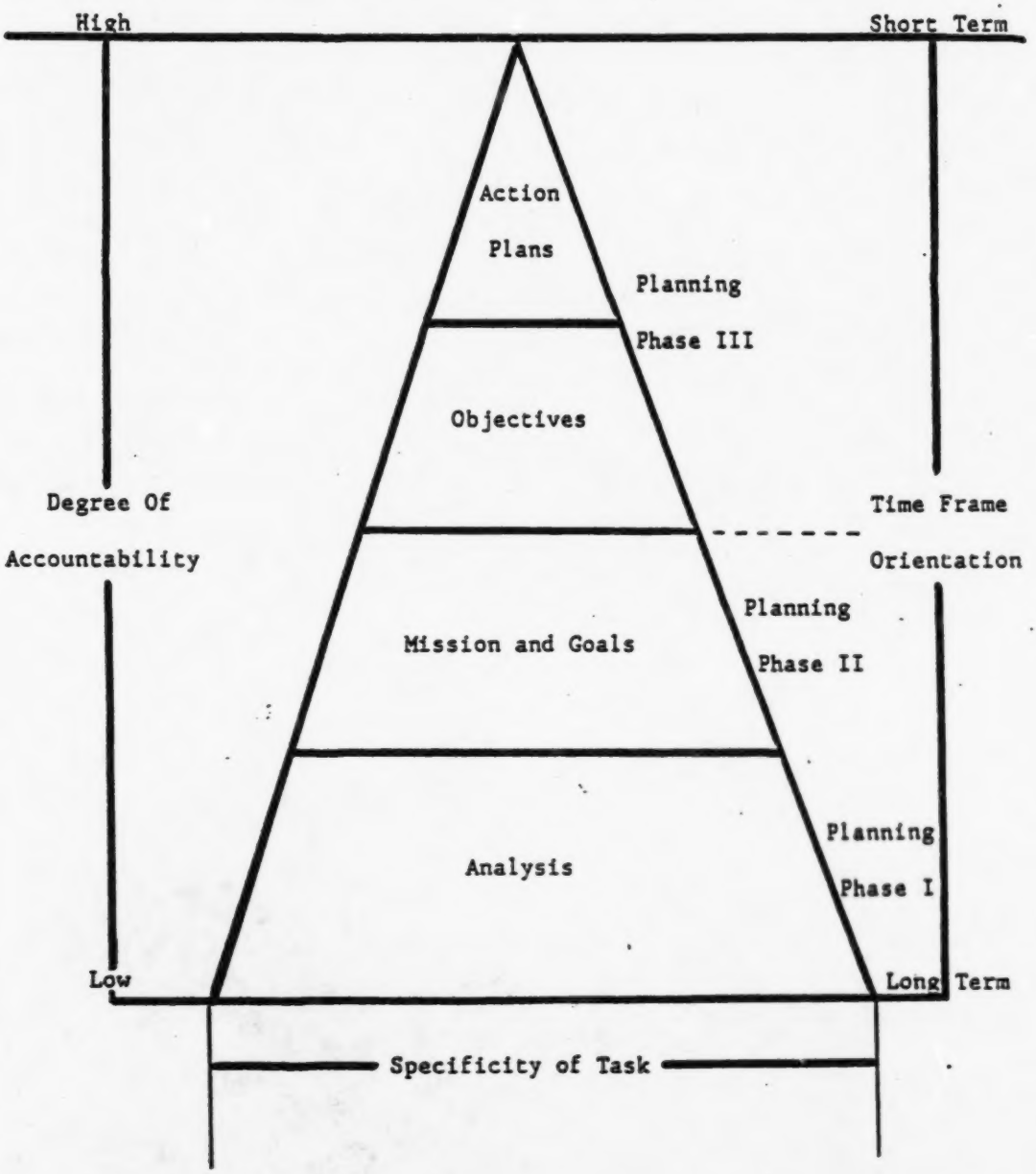
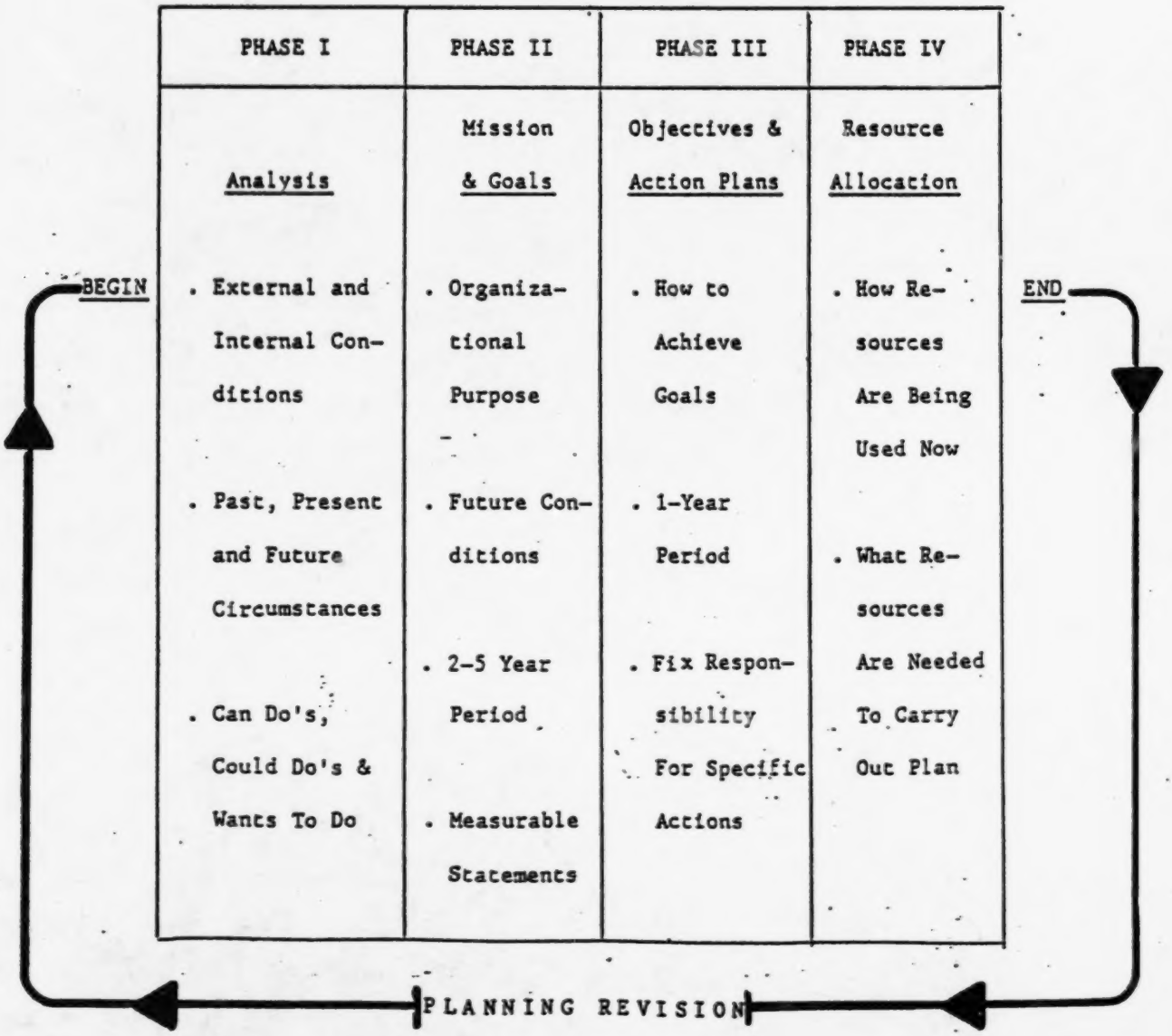


FIGURE 4

THE STRATEGIC PLANNING PROCESS



BEST COPY AVAILABLE

FIGURE 5

STRATEGIC PLANNING OUTCOMES AND BENEFITS

Outcome	Benefit
1. External Environment Analysis	1. Ability to reach and respond to external factors is increased through knowledge acquired of issues taking place outside of the organization.
2. Internal Environment Analysis	2. Understanding of constraints, limitations and opportunities for improvement increased through an examination of interrelated dimensions of organizational functioning (i.e., McKinsey's Seven "S" Model)
3. Recommended Planning Strategies	3. Organizationally appropriate planning framework is developed which allows for specific responses to unique organizational issues to be made.
4. Updated Mission Statement (Statement of Organizational Purpose)	4. Redefinition of purpose in light of current circumstances provides an opportunity for growth, redirection of resources and reevaluation to occur as needed.

BEST COPY AVAILABLE

FIGURE 5 - CONT'D

STRATEGIC PLANNING COUTCOMES AND BENEFITS

Outcome	Benefit
5. Statement of Organizational Goals	5. Long range direction and priorities for future action are established. A common understanding is achieved among work groups.
6. Statement of Organizational Objectives and Action Plans	6. Responsibility and accountability for managerial actions are determined.
7. State of Revenue Estimates and Expenditure Priorities	7. A foundation for financial results tracking, budget monitoring and periodic and year end analysis is established.

BEST COPY AVAILABLE